

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF NAVITAS KY	)	CASE NO.
NG, LLC FOR AN ALTERNATIVE RATE FILING	)	2025-00332
PURSUANT TO 807 KAR 5:076	)	

COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION  
TO NAVITAS KY NG, LLC

Navitas KY NG, LLC (Navitas KY), pursuant to 807 KAR 5:001, shall file with the Commission an electronic version of the following information. The information requested is due on May 8, 2026. The Commission directs Navitas KY to the Commission's July 22, 2021 Order in Case No. 2020-00085<sup>1</sup> regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the question to which the response is made and shall include the name of the witness responsible for responding to the questions related to the information provided. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the

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<sup>1</sup> Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Navitas KY shall make timely amendment to any prior response if Navitas KY obtains information that indicates the response was incorrect or incomplete when made or, though correct or complete when made, is now incorrect or incomplete in any material respect.

For any request to which Navitas KY fails or refuses to furnish all or part of the requested information, Navitas KY shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied and scanned material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, Navitas KY shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to Navitas KY's Response to Commission Staff's Second Request for Information (Staff's Second Request), Item 1, Part 1, page 2 where it states that "NUC also provides services as the operator for two Hydro Electric Plants ('HEP') owned by Navitas Hydro, LLC ('Hydro'), a subsidiary of NUC."

a. Explain whether any of the expenses incurred in Federal Energy Regulatory Commission (FERC) Accounts 903, 908, 920–928, and 930–932 provide benefit to HEP. If so, describe what type of benefit is provided to HEP.

b. Explain whether any of the costs incurred in FERC Accounts 903, 908, 920–928, and 930–932 are attributable to HEP. If so, provide the account and activity.

2. Refer to Navitas KY’s response to Staff’s Second Request, Item 1, Exhibit 2-1 Part 2, tab “Direct Charges,” line “874.15 Mains & Services KY” where the amount is listed as \$9,806.76. Reconcile that amount with the \$10,201.76 amount shown for “874.15 Mains & Services KY” on the table titled “Navitas Utility Corporation Profit & Loss January 2024.” For any additional discrepancies between these two sources in other rows in this workbook and in Exhibit 2-1, Parts 3 through 13, state which source is correct and explain why.

3. Refer to Navitas KY’s Response to Staff’s Second Request, Item 1, Exhibit 2-1, Parts 2 through 13 and the calculation of monthly expense on tabs “2024 NUC Rent,” “2024 NALLC Rent,” and “2024 FCFA Rent”. Refer also to Confidential Exhibit PSC 1-7(a) and Navitas KY’s Application, Attachment 5 – Revenue Requirement Calculation and Attachment 4 – Schedule of Adjusted Operations.

a. Provide the source of the 6.54 percent interest rate charged by banks used to calculate annual and monthly interest expense.

b. Confirm that the interest expense calculated on those worksheets is part of the “Equipment Rental” expense which is ultimately recorded to FERC Account

931 – Rents on the General Ledger provided in Confidential Exhibit PSC 1-7(a). If not confirmed, explain the response.

c. Explain whether the interest expense calculated and included in FERC Account 931 is also included in the \$180,891.29 of interest expense shown on page 2 of Attachment 5 – Revenue Requirement Calculation to the initial filing by Navitas KY.

d. Confirm that the depreciation expense calculated on those tabs is part of the “Equipment Rental” expense which is ultimately recorded to FERC Account 931 – Rents on the General Ledger provided in Confidential Exhibit PSC 1-7(a). If not confirmed, explain the response.

e. Explain whether the depreciation expense calculated and included in FERC Account 931 is also included in the \$77,715.21 of depreciation expense shown on page 2 of Attachment 4 – Schedule of Adjusted Operations to the initial filing by Navitas KY.

4. Refer to Navitas KY’s Response to Staff’s Second Request, Item 1, Exhibit 2-1, Parts 2 through 13 and the calculation of monthly expense on the worksheets “2024 NUC Rent”. Explain why Navitas KY allocates all trucks and equipment expense and does not direct assigned.

5. Refer to Navitas KY’s Response to Staff’s Second Request, Item 1, Exhibit 2-1, Parts 2 through 13 and the calculation of monthly expense on the worksheets “2024 NUC Rent.” For each of the following categories as of December 31, 2024, identify how many units were physically located in Kentucky and how many units were owned by Navitas Utility Corporation (NUC) in total:

- a. Pickups
- b. Trucks
- c. Heavy Equipment
- d. Meters

6. Refer to Navitas KY's Response to Staff's Second Request, Item 1, Exhibit 2-1, Parts 2 through 13 and the calculation of monthly expense on the worksheets "2024 NUC Rent". Explain the delineation between pickups and trucks.

7. Refer to Navitas KY's Response to Staff's Second Request, Item 5 and Exhibit 2-4. Explain why FERC Accounts 903, 908, 920, 923, 925, 931, and 932 were excluded from the calculation of the administrative and general expense adjustment.

8. Refer to Navitas KY's Response to Staff's Second Request, Item 6. Provide the following for the fourth quarter of 2025:

- a. Natural Gas Production expenses
- b. Distribution expenses
- c. General expenses
- d. Depreciation expense

9. Refer to Navitas KY's Response to Staff's Second Request, Items 8(g) and (h) and Exhibit 2-8(h). Explain why Navitas KY believes it is reasonable to depreciate pipeline assets acquired in 2011 and in 2021 for 40 years beginning on the date of respective acquisition given that Part B.4 of Exhibit 2-8(h) shows that a significant proportion of miles of main and number of services were installed from 1980-1999.

10. Refer to Navitas KY's Response to Staff's Second Request, Item 8(h) and Exhibit 2-8(h).

a. State whether Navitas KY is aware of the location of the pipeline and services installed between 1980-1999.

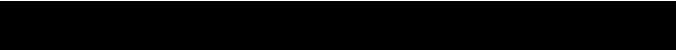
b. Explain whether Navitas KY plans to replace those pipelines and services given they would reach the end of their 40-year depreciable life between 2020 and 2039.

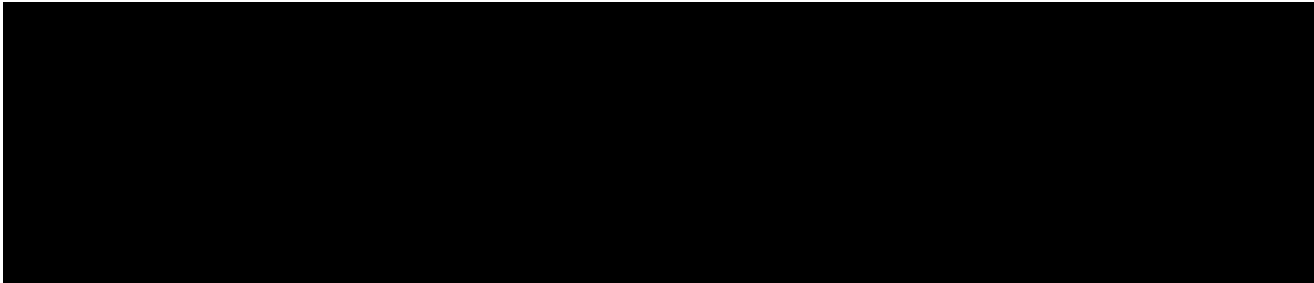
11. Refer to Navitas KY's Response to Staff's Second Request, Item 9.

a. Explain whether any of these loans were made to Navitas KY.

b. Provide the amount and terms of these loans.

c. State the amount of principal and interest paid by Navitas KY in the test year.

12. Refer to Navitas KY's Response to Staff's Second Request, Item 11 and CONFIDENTIAL Exhibit 2-11, Parts 1-5. 



13. Refer to Navitas KY's Response to Staff's Second Request, Item 13.

a. Explain the current operational status of the chicken processing plant and Navitas KY's current understanding of its forecasted operations.

b. Explain whether Navitas KY agrees that any increase in the pre-payment liability results in a reduction in future cash flow when the plant is operating and drawing down that pre-payment.

c. Explain Navitas KY's view on the risks to its largest customer if Navitas KY was no longer a going concern and unable to supply natural gas for the chicken processing plants operations.

14. Refer to Navitas KY's Response to Staff's Second Request, Item 16.

a. Provide the general ledger account the expenses associated with the B&W FERC matter are booked.

b. Explain whether the B&W FERC matter expenses are listed separately from the total B&W pipeline transportation expense. If not, provide supporting documents for the B&W expense related to the FERC matter in calendar years 2024 and 2025.

15. Refer to Navitas KY's Response to Staff's Second Request, Item 19. This response is nonresponsive. Provide the following:

a. The amount currently owed to each gas supplier by Navitas KY. In the response, include the full name of each entity.

b. The amount currently owed to each gas transporter by Navitas KY. In the response, include the full name of each entity.

16. Refer to Navitas KY's Response to Staff's Second Request, Item 39 and Exhibit 2-39.

a. State to which account on Navitas KY's General Ledger and where in the revenue requirement the capitalization of labor and equipment is reflected.

b. Explain whether an offsetting credit to expense is also recorded when labor and equipment are capitalized. If not, explain why not. If so, identify and

explain where on Navitas KY's General Ledger and where in the revenue requirement that credit is reflected.

17. Refer to Navitas KY's Response to Staff's Second Request, Items 41 and 57. Describe the need for the "chicken processing plant loop," the scope of the planned project, alternatives considered, and funding source for the proposed \$500,000 project.

18. Refer to Navitas KY's Response to Staff's Second Request, Items 41 and 57. Explain what regulatory approvals, if any, Navitas KY intends to seek for this project.

19. Refer to Navitas KY's Response to Staff's Second Request, Item 43. Explain how Navitas KY uses the historical figures provided to calculate natural gas projected sales.

20. Refer to Navitas KY's Response to Staff's Second Request, Item 47. Excluding customer contributions in aid of construction (CIAC), confirm that Navitas KY financed all construction with debt to creditors or its parent company. If not confirmed, explain.

21. Refer to Navitas KY's Response to Staff's Second Request, Item 47.

a. Explain the basis for amortizing CIAC over a 10-year period.

b. Given that CIAC is being amortized over a 10-year period, explain why CIAC associated with projects placed in service in 2013 and 2014 are included in this case.

c. Identify the specific FERC Uniform System of Accounts account(s) to which the amortization of CIAC is booked.

d. Explain whether the amortization costs are offsetting the original cost of the project they are associated with.

e. For the CIAC projects funded by “business owners” and the “City of Albany” confirm whether, with appropriate regulatory approval, these contributions may be directly assigned to specific customer class and explain why these contributions are not being directly assigned to these customer classes.

f. Confirm whether the CIAC project funded by Clinton County solely benefits customers located in Clinton County. If so, explain why the associated CIAC are being allocated Floyd-Johnson customers.

22. Refer to Navitas KY’s Response to Staff’s Second Request, Item 50 and Navitas KY’s Responses to Information Requested in Informal Conference Order, Attachment IC(a) 2025\_KYNG\_Cashflow.xlsx.

a. For the balance listed in the line “1158 – CD – Bank7 Keystone” indicate if this balance is available for withdrawal.

b. Provide Navitas KY’s beginning and ending cash balances for 2024 and 2025.

23. Refer to Navitas KY’s Response to Staff’s Second Request, Item 53. For each employee that started or ceased employment during the test year, provide the start or end date.

24. Refer to Navitas KY’s Response to Staff’s Second Request, Item 53. For each employee, provide the amount of wages and benefits that are directly assigned and the amount allocated to Navitas KY.

25. Refer to Navitas KY’s Response to Staff’s Second Request, Item 57.

a. State the form that the referenced polling of field service personnel is performed. For example, via email, phone, web-based survey, or other.

b. Provide the approximate time frame when the last poll was conducted and provide all responses.

c. State how long each of the most recently polled field service personnel has been employed by NUC.

d. Explain whether the field service personnel polled know the age and condition of each utility asset. If so, explain how they received this information.

26. Refer to Navitas KY's Response to Staff's Second Request, Item 57. State how many employees are tasked with reading customer meters each month.

27. Refer to Navitas KY's Response to Staff's Second Request, Item 61.

a. On what historical frequency has Navitas KY performed leak surveys on its natural gas system in Kentucky.

b. On what historical frequency have leak surveys been performed in other jurisdictions.

c. Explain Navitas KY's plan for the frequency of leak surveys going forward.

28. Refer to the confidential workpaper file "Navitas COSS\_vFinal (Confidential)," tab Allocator, row 12.

a. Describe in plain language the methodology used to develop the Direct Assigned to Industrial allocator.

b. Provide any workpapers or analysis used in the development of the Direct Assigned to Industrial allocator.

c. Explain the cost causation basis under which the Industrial Curtailable class, a class whose load, by definition, does not contribute to design day infrastructure requirements — is being allocated 85 percent of the Mains Direct Plant.

29. Refer to the confidential workpaper file "Navitas COSS\_vFinal (Confidential)," tab Rate Design rows 12-20.

a. Describe in detail the methodology used to establish the proposed customer charges for each customer class.

b. Identify any cost of service principles relied upon in the development of the proposed customer charges

c. Provide all reasoning, support, and justification for these customer charges in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

30. Refer to the confidential workpaper file "Navitas COSS\_vFinal (Confidential)," tab "Allocation," rows 51 through 55, rows 115 through 119, and rows 339 through 343.

a. Provide the detail behind the organizational costs associated with the Case No. 2020-00396<sup>2</sup> acquisition.

b. Provide the specific section(s) of the FERC Uniform System of Accounts (USoA) that authorizes the accounting treatment of these operational and legal costs in the manner.

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<sup>2</sup> Case No. 2020-00396, *Electronic Application of Navitas KY NG, Johnson County Gas Company, and B & H Gas Company for Approval of Acquisition, Transfer of Ownership, and Control of Natural Gas Utility Systems* (Ky. PSC Apr. 27, 2021).

c. Explain the basis upon which operational and legal costs can be classified as an asset.

d. Explain why these operational and legal costs are not being treated as a regulatory asset.

e. Explain the justification for earning a return and recovering depreciation expense associated with operational and legal cost.

f. Provide the specific Commission order or FERC order that authorizes the treatment of these costs in this manner.

31. Refer to the confidential workpaper file "Navitas COSS\_vFinal (Confidential)," tab "Alloc-Income."

a. Explain why these unbilled revenues, which are related to Gas Costs, are being treated differently than the Gas Cost Recovery (GCA) Revenues.

b. Explain what is included in the GCR revenues.

32. Refer to Navitas KY's response to Commission Staff's Post-Hearing Request for Information, Item 1, Exhibit. Provide an update on all past due accounts in the following format:

Account Name	Entity	Amount Due and Owing	Past Due Amount	Length of Delinquency

33. Refer to Navitas KY's Third Monthly PGA Residual Surcharge Report, Surcharge Order Report. For each GCA vendor provide the current amount of payments outstanding and explain when Navitas KY expects to be current on each account.

34. Provide an update to the reported line loss.

*Linda Bridwell* 

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DATED APR 23 2026

cc: Parties of Record

Case No. 2025-00332

## Service List for 2025-00332

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